

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

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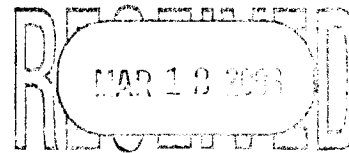
W-02181A
Pine Valley Water Company
480 Raintree Road
Sedona AZ 863517258

ANNUAL REPORT

FOR YEAR ENDING

12	31	2002
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ARIZONA CORPORATION
COMMISSION



Director of Utilities

FOR COMMISSION USE

ANN04 02

Handwritten:
3-12-03
P.C.

COMPANY INFORMATION

Company Name (Business Name) <u>Pine Valley Water Company</u>		
Mailing Address <u>480 Raintree Rd.</u>		
<u>Sedona</u> (City)	<u>AZ</u> (State)	<u>86351</u> (Zip)
<u>928-284-1819</u> Telephone No. (Include Area Code)	<u>928-284-9311</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
Email Address <u>PN3LEI@AOL.COM</u>		
Local Office Mailing Address <u>Same</u>		
 (City)	 (State)	 (Zip)
 Local Office Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: <u>Judy Mandeville</u>			<u>President</u> (Title)
<u>480 Raintree Rd.</u> (Street)	<u>Sedona</u> (City)	<u>AZ</u> (State)	<u>86351</u> (Zip)
<u>928-284-1819</u> Telephone No. (Include Area Code)	<u>928-284-9311</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)	
Email Address <u>PN3LEI@AOL.COM</u>			
On Site Manager: <u>Pete Mandeville</u>			
<u>480 Raintree Rd.</u> (Street)	<u>Sedona</u> (City)	<u>AZ</u> (State)	<u>86351</u> (Zip)
<u>928-284-1819</u> Telephone No. (Include Area Code)	<u>928-284-9311</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)	
Email Address <u>PN3LEI@AOL.COM</u>			

Statutory Agent: Pete Mandeville
(Name)

480 RainTree Rd Sedona AZ 86351
(Street) (City) (State) (Zip)

928-284-1819 928-284-9311
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: _____
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Pine Valley Water Co

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	4298	4298	0
302	Franchises	75	NA	75
303	Land and Land Rights	11,994	NA	11,994
304	Structures and Improvements	10,007	2520	7487
307	Wells and Springs	9872	7226	2646
311	Pumping Equipment	51,394	49,318	2076
320	Water Treatment Equipment	NA	NA	NA
330	Distribution Reservoirs and Standpipes	14,857	5943	8914
331	Transmission and Distribution Mains	54,957	35,067	19,890
333	Services	20,669	6830	13,839
334	Meters and Meter Installations	6828	6563	265
335	Hydrants	4759	2872	1887
336	Backflow Prevention Devices	NA	NA	NA
339	Other Plant and Misc. Equipment	NA	NA	NA
340	Office Furniture and Equipment	644	344	300
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	190,354	120,981	69373

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Pine Valley Water Co.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	4298	complete	0
302	Franchises	75	NA	NA
303	Land and Land Rights	11994	NA	NA
304	Structures and Improvements	10,007	3.33	333
307	Wells and Springs	9872	3.33	326
311	Pumping Equipment	51,394	12.50	632
320	Water Treatment Equipment	NA	NA	NA
330	Distribution Reservoirs and Standpipes	14857	5.0	743
331	Transmission and Distribution Mains	54,957	2.0	1099
333	Services	20,669	3.33	688
334	Meters and Meter Installations	6,828	8.33	168
335	Hydrants	4759	2.0	95
336	Backflow Prevention Devices	NA	NA	NA
339	Other Plant and Misc. Equipment	NA	NA	NA
340	Office Furniture and Equipment	644	6.67	43
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	¥10,354		4127

This amount goes on Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 9833	\$ 4083
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 9833	\$ 4083
	FIXED ASSETS		
101	Utility Plant in Service	\$ 190,229	\$ 190,354
103	Property Held for Future Use	NA	
105	Construction Work in Progress	NA	
108	Accumulated Depreciation – Utility Plant	116,854	120,981
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 73,375	\$ 69,373
	TOTAL ASSETS	\$ 83,208	\$ 73,456

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

Pine Valley Water Co.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	366	794
236	Accrued Taxes	412	341
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 778	\$ 1135
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 778	\$ 1135
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 1000	\$ 1000.
211	Paid in Capital in Excess of Par Value	76,242	76,242
215	Retained Earnings	5188	(4921)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 82,430	\$ 72,321
	TOTAL LIABILITIES AND CAPITAL	\$ 83,208	\$ 73,456

COMPANY NAME

Pine Valley Water Co.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 76,277	\$ 93,054
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 76,277	\$ 93,054
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	5877	6439
618	Chemicals		
620	Repairs and Maintenance	1984	2295
621	Office Supplies and Expense		
630	Outside Services	39,985	81,900
635	Water Testing	1000	540
641	Rents	5844	5844
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	2433	675
403	Depreciation Expense	5604	4127
408	Taxes Other Than Income		
408.11	Property Taxes	3809	1343
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 66,536	\$ 103,163
	OPERATING INCOME/(LOSS)	\$ 9741	\$ (10,109)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$ - 0 -	\$ - 0 -
	NET INCOME/(LOSS)	\$ 9741	\$ (10,109)

COMPANY NAME

Zine Valley Water Co.

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

None

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$

Meter Deposits Refunded During the Test Year

\$

COMPANY NAME Pine Valley Water Co

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-627209	20	85	400 FT	8"	3"	1972

- * Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10 HP	1	5	1
7 1/2 HP	1		
5 HP	1		
1 1/2 HP	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
		5000 gal	1

COMPANY NAME

Pine Valley Water Co

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	8378
5		
6	PVC	10031
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	126
3/4	2
1	4
1 1/2	1
2	1
Comp. 3	
Turbo 3	3 (well)
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

N/A

STRUCTURES:

Pump house - Fences

OTHER:

Generator w 1 1/2 HP pump

COMPANY NAME:

Pine Valley Water Co

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	140	551855	726,500
FEBRUARY	141	606960	724,300
MARCH	141	675480	764,000
APRIL	141	858160	961,300
MAY	141	1077260	1,162,600
JUNE	141	1632660	1,601,100
JULY	141	2047640	2,137,800
AUGUST	140	1581980	1,674,000
SEPTEMBER	139	1,664,950	1,777,500
OCTOBER	139	1,163,870	1,248,900
NOVEMBER	138	932,000	995,000
DECEMBER	140	717,540	798,400
TOTAL		N/A	

1267600

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes

(X) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes

(X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. 0.030 mg/l

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Pine Valley Water Co. YEAR ENDING 12/31/2002

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 1343⁰⁰

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME

Dine Valley Water Co

YEAR ENDING 12/31/2002

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported

(11,551)

Estimated or Actual Federal Tax Liability

- 0 -

State Taxable Income Reported

(11,551)

Estimated or Actual State Tax Liability

- 0 -

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances

Amount of Gross-Up Tax Collected

Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

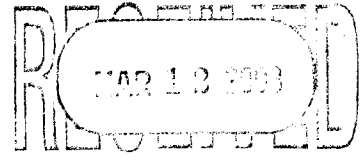
SIGNATURE

DATE

PRINTED NAME

TITLE

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only



VERIFICATION

STATE OF AZ
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>Yavapai</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Judy & Pete Mandeville Pres/Ex VPs.</u>
COMPANY NAME	<u>Pine Valley Water Co.</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2002</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 98480

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 5926.00
IN SALES TAXES BILLED, OR COLLECTED

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

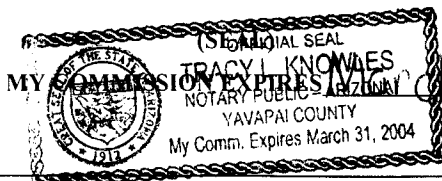
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS Fifth DAY OF

Judy Mandeville
SIGNATURE OF OWNER OR OFFICIAL
928 284 1819
TELEPHONE NUMBER

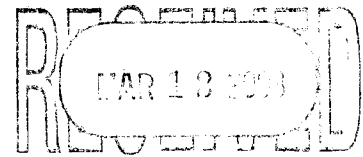
COUNTY NAME	<u>Yavapai</u>
MONTH	<u>March</u> 200 <u>3</u>

Tracy L. Knowles
SIGNATURE OF NOTARY PUBLIC



**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION
COMMISSION



Director of Finance

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>Yavapai</u>	
NAME (OWNER OR OFFICIAL) <u>Judy & Pete Mandeville</u>	TITLE <u>Pres / Exec V.P.</u>
COMPANY NAME <u>Pine Valley Water Co</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2002</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 98,980

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 5926
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Judy Mandeville
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

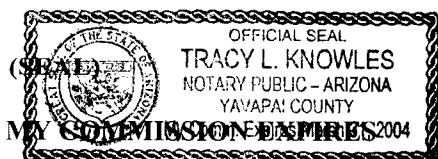
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

Fifth

DAY OF

NOTARY PUBLIC NAME <u>Tracy L Knowles</u>	
COUNTY NAME <u>Yavapai</u>	
MONTH <u>March</u>	20 <u>03</u>



X Tracy L Knowles
SIGNATURE OF NOTARY PUBLIC

March 31, 2004

PINE VALLEY WATER CO.
480 RAINTREE ROAD
SEDONA, AZ 86351

91-2279
1221

3275

DATE 10/16/02

PAY TO THE ORDER OF Ross Jacobs County Treasurer \$ 603.63

Six hundred and three — 63/100 DOLLARS

BANK ONE.
Bank One, Arizona, NA
Village of Oak Creek Office (279)
Sedona, Arizona

MEMO 918-60-970-3

1: 1 2 2 1 0 0 0 2 4 : 3 2 7 5 " 2 3 8 0 " 3 9 2 2 " 0 0 0 0 0 6 0 3 6 3 4

PINE VALLEY WATER CO.
480 RAINTREE ROAD
SEDONA, AZ 86351

91-2279
1221

3274

DATE 10/16/02

PAY TO THE ORDER OF Ross Jacobs County Treasurer \$ 739.26

Seven hundred and thirty nine — 26/100 DOLLARS

BANK ONE.
Bank One, Arizona, NA
Village of Oak Creek Office (279)
Sedona, Arizona

MEMO 918-60-975-8

1: 1 2 2 1 0 0 0 2 4 : 3 2 7 4 " 2 3 8 0 " 3 9 2 2 " 0 0 0 0 0 7 3 9 2 6 4

